



**Australian Government**

**Australian Industrial Registry**

Level 36, 80 Collins Street  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9655 0401  
Email: melbourne@air.gov.au

Mr Doug Cameron  
National Secretary  
Automotive, Food, Metals, Engineering,  
Printing and Kindred Industries Union  
PO Box 160  
GRANVILLE NSW 2142

Dear Mr Cameron,

**Re: Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union  
Financial Reports for year ended 30 September 2005  
Schedule 1B of the Workplace Relations Act 1996 (RAO Schedule)**

<b>National Council</b>	<b>FR2005/542</b>	<b>New South Wales</b>	<b>FR2005/543</b>
<b>Queensland</b>	<b>FR2005/544</b>	<b>South Australia</b>	<b>FR2005/545</b>
<b>Tasmania</b>	<b>FR2005/546</b>	<b>Victoria</b>	<b>FR2005/547</b>
<b>Western Australia</b>	<b>FR2005/548</b>		

Thank you for the financial reports of the above named organisation and its branches for the year ended 30 September 2005. The documents were lodged in the Industrial Registry on 24 March 2006. Please excuse the delay in responding to you, our attention in recent months has been diverted to the new Workchoices legislation.

The documents have been filed.

Having examined the lodged financial reports I make the following comments to assist you in preparing financial documents in the future. You do not need to take any further action in respect of the documents which have been lodged.

### **New South Wales Branch**

I would like to make the following comments regarding this financial report:

- A 'Committee of Management's Certificate' has been included with the other financial documents. Reference is made in the certificate to the New South Wales *Industrial Relations Act 1996*, suggesting that it has been prepared for lodgement with the State Commission. This certificate is not required under the RAO Schedule;
- The document which sets out all of the information required by the Committee of Management Statement is entitled 'Branch's Statement' (see section 253(2)(c) of the RAO Schedule and Reporting Guidelines 23 and 24). Would you please ensure in future years that this document is properly entitled 'Committee of Management Statement'.
- The lodged documents include an Accounting Officer's Certificate. The Accounting Officer's Certificate was a document required under the former financial reporting requirements of the *Workplace Relations Act 1996*. This certificate is not required under the RAO Schedule as it has, in effect, been replaced by the Operating Report.
- While a comparison of signatures suggests that it was executed by the State Secretary, Mr Paul Bastian, the Operating Report does not identify the signatory either by name or position. In order to verify that the Report has been prepared by a member of the Committee of Management or a 'designated officer' (as required by RAO s.254 and s.243), it is necessary for the Report to identify its signatory. Would you please ensure that this occurs in the future.

## **South Australian Branch**

### Auditor's Report

The Auditor's Report is undated. The Australian Accounting Standards require the Auditor's Report to be dated. In particular, AUS 702 *'The Audit Report on a General Purpose Financial Report'* states that the date is one of the essential elements of the Audit Report (see AUS 702.13(i)). Similarly, section 257(9) of the RAO Schedule requires the Auditor's Report to be *'...dated as at the date that the auditor signs the report...'* You are requested to bring this matter to the Auditor's attention.

### Committee of Management Statement

Item 17(e)(iv) of the Reporting Guidelines which have been issued by the Industrial Registrar requires a declaration by the Committee of Management that:

*where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation.*

Paragraph (e)(iv) of the Committee of Management Statement of the South Australian Branch states *'as the organisation does not consists of 2 or more reporting units...'*. This statement is incorrect. The organisation consists of a Federal Office and a number of branches, each being a reporting unit.

Section 242 of the RAO Schedule determines what constitutes a 'reporting unit' for the purposes of the Act:

#### *Organisations not divided into branches*

(2) Where an organisation is not divided into branches, the *reporting unit* is the whole of the organisation.

#### *Organisations divided into branches*

(3) Where an organisation is divided into branches, each branch will be a *reporting unit* unless a certificate issued by the Industrial Registrar stating that the organisation is, for the purpose of compliance with this Part, divided into reporting units on an alternative basis (see section 245) is in force.

## **Queensland Branch**

The Operating Report is required to state whether any officer or member of the Branch is a trustee of a superannuation entity (or a director of a company that is a trustee of a superannuation entity) – see section 254(2)(d) of the RAO Schedule.

In the event that no officer or member of the Branch is a trustee or director of a superannuation entity, the Operating Report should include a comment to this effect.

## **Employee-Related Expenses – Victorian and Tasmanian Branches**

The Victorian Branch's Statement of Financial Performance includes an item for 'Salaries' of \$47,027 and the Tasmanian Branch includes an item for 'Employee Expense' of \$94,870. Both of these Branches, however, include in Note 1 the following statements:

*(iv) Other operational expenses eg salaries which relate to the Branch are paid for by the National Council and are included in the financial report of the National Council only.*

*(v) Provision for employee benefits in the form of Long Service Leave and Accrued Annual Leave have been made for the estimated accrued entitlements of all employees on the basis of their terms of employment in the financial report of the National Council.*

You are requested to rectify these apparent discrepancies in future financial reports.

### **Consistency of Accounting Policies Between Branches**

Section 252(2) of the RAO Schedule and Item 17(e)(iv) of the Reporting Guidelines require the financial records of each reporting unit of an organisation to be kept, as far as practicable, on a consistent basis.

All of the reporting units other than the Tasmanian Branch have a very similarly worded statement in Note 1 that the financial report has been prepared on a cash basis rather than an accrual basis as required by applicable Accounting Standards. Each Note 1 (other than for Tasmania) goes on to state that 'The Union has determined to adopt the cash basis of accounting in the preparation of the financial reports of national council *and all branches* following advice from the Australian Industrial Registry that the terms of section 252(3) of the Workplace Relations Act 1996 in effect create a standing exemption from the Australian Accounting Standard that mandates accrual accounts' (emphasis added).

The one exception is the Tasmanian Branch, which contains no statement in Note 1 that the financial reports have been prepared on a cash basis. Further, Note 18 of the Tasmanian accounts states 'Previously, AMWU reported on a cash basis. On transition to accrual accounting for the year ended 30 September 2004...' There is, however, a statement in paragraph (e)(iv) of the Committee of Management Statement for the Tasmanian Branch that the financial records of the reporting unit have been kept in a 'consistent manner to each of the other reporting units'.

It would appear that the Tasmanian Branch has adopted accounting policies which are not consistent with National Council or the other reporting units of the Union. You are requested to examine this issue in order to meet the requirements of section 252(2) of the RAO Schedule and Item 17(e)(iv) of the Reporting Guidelines in future years.

Please do not hesitate to contact me by email at [robert.pfeiffer@air.gov.au](mailto:robert.pfeiffer@air.gov.au) or on (03) 8661 7817 if you wish to discuss this letter.

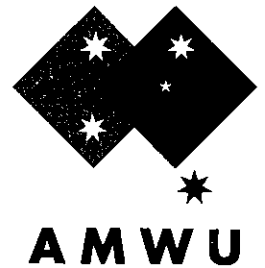
Copies of the financial reports have been placed on the website maintained by the Industrial Registry at <http://www.e-airc.gov.au/188V>.

Yours sincerely,



Robert Pfeiffer  
Statutory Services Branch

31 August 2006



**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING AND KINDRED  
INDUSTRIES UNION**

**NSW STATE COUNCIL**

**CERTIFICATE OF STATE SECRETARY**

I, Paul Bastian, being the State Secretary of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union New South Wales State Council certify:

- that the documents lodged herewith are copies of the Full Report, referred to in section 268 of the ROA Schedule; and
- that the Full Report was provided to members in the month of January 2006; and
- that the Full Report was presented to a meeting of the Committee of Management of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union New South Wales State Council on 10 March 2006 in accordance with section 266 of the ROA Schedule.

Paul Bastian  
NSW State Secretary

Signature

Date 10 March 2006

**Australian Manufacturing  
Workers' Union**  
(Registered as AFMEPKIU)  
**NSW STATE OFFICE**  
133 Parramatta Rd  
PO Box 167  
GRANVILLE NSW 2142  
TELEPHONE 02 9897 2011  
FACSIMILE 02 9897 2219  
amwunsw@amwu.asn.au

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED  
INDUSTRIES UNION**

**NEW SOUTH WALES BRANCH**

**FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2005**

# **AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES UNION**

## **NEW SOUTH WALES BRANCH**

### **OPERATING REPORT**

The Branch, being the Committee of Management for the purposes of the Workplaces Relations Act 1996, presents its operating report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, New South Wales Branch for the financial year ended 30 September 2005.

#### **Review of the State's Principal Activities**

The AFMEPKIU's principal industrial objectives are aimed at the improvement of wages and working conditions for members throughout industry. This has been done primarily by way of industrial awards and enterprise agreements. The AFMEPKIU has also been active in trying to influence governments at all levels in a wide range of political issues.

#### **Results of Principal Activities**

The AFMEPKIU NSW State Branch's principal activities resulted in a deficit for the financial year, of \$3,252.

The National Council has determined to keep its financial records on the cash basis as they relate to the income and expenditure of National Council. As the Branch must keep its financial records, as far as practicable, in a consistent manner to each of the other branches and National Council, the Branch has, for the year ended 30 September 2005, also kept its financial records on the cash basis as they relate to the income and expenditure of the Branch.

This is a change in accounting policy in that in previous years the Branch kept its financial records on the accrual basis as they related to the income and expenditure of the Branch. The change in the accounting policy has not significantly affected the financial performance of the Branch for the year or its financial position as at year end.

#### **Significant Changes in the Branch's Financial Affairs**

No matter or circumstances arose during the reporting year which significantly affected the financial affairs of the Branch.

#### **The Right of Members to Resign**

Rule 43(8) of the AFMEPKIU Rules states that a member may resign his/her membership by notifying his/her State Secretary in writing, addressed and delivered to that Officer.

"A notice of resignation from membership takes effect:

- (a) Where the member ceases to be eligible to become a member of the organisation:
  - (i) On the day on which the notice is received by the organisation, or
  - (ii) On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later or

- (b) In any other case:
  - (i) At the end of two weeks, after the notice is received by the organisation; or
  - (ii) On the day specified in the notice;

whichever is the later.

# **AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES UNION**

## **NEW SOUTH WALES BRANCH**

### **OPERATING REPORT (Cont'd)**

Any dues payable but not paid by a former member of the organisation, in relation to a period before the member's resignation from the organisation took effect, may be sued for and recovered in the name of the organisation, in a court of competent jurisdiction, as a debt due to the organisation.

A notice delivered to the State Secretary shall be taken to have been received by the organisation when it is delivered.

A notice of resignation that has been received by the organisation is not invalid because it was not addressed and delivered to the State Secretary.

A resignation from membership is valid even if it is not affected in accordance with this Rule if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted".

Nothing in Rule 43(8) of the AFMEPKIU Rules interferes with a member's right to resign from the union as set out under section 174 of the Workplace Relations Act 1996.

### **State Officers or Members who are Trustees of a Superannuation Entity**

The details of each officer or member of the State Branch who is a trustee of a superannuation entity or an exempt public sector superannuation scheme or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation, are as follows:

<b>Name of Trustee</b>	<b>Superannuation Fund</b>	<b>Position Held</b>
Michelle Burgess – Union Officer	Food Industry Superannuation Trust	Trustee

### **Other Relevant Information**

The Branch is not aware of any other relevant information.

### **Prescribed Information Required Under the Workplace Relations (RAO) Regulations 2003**

- (a) The number of persons that were recorded in the register of members on 30 September 2005 was 33,659.
- (b) The number of persons who were employees of the reporting unit on 30 September 2005 was 75, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.
- (c) The name of each person who has been a member of Branch, at any time during the reporting period, and the period for which he or she held such a position is as follows.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES UNION**

**NEW SOUTH WALES BRANCH**

**OPERATING REPORT (Cont'd)**

<b>Name</b>	<b>Period Position Held</b>
Jim O'Neill	01.10.04 to 30.09.05
Paul Bastian	01.10.04 to 30.09.05
Tim Ayres	01.10.04 to 30.09.05
Michelle Burgess	01.10.04 to 30.09.05
Robyn Fortescue	01.10.04 to 30.09.05
Matthew Lowe	01.10.04 to 30.09.05
Garry Hingle	01.10.04 to 30.09.05
Mark Pearce	01.10.04 to 30.09.05
Bruce Campbell	01.10.04 to 30.09.05
Martin Cartwright	01.10.04 to 07.01.05
Leon Drury	17.06.05 to 30.09.05
Noel Castles	01.10.04 to 30.09.05
Harry Delaney	01.10.04 to 01.07.05
Mark Hoban	01.10.04 to 30.09.05
Steve Murphy	01.10.04 to 30.09.05
Ghazi Noshie	01.10.04 to 30.09.05
Wayne Phillips	01.10.04 to 01.07.05
Martin Schutz	01.10.04 to 30.09.05
Vanessa Seagrove	01.10.04 to 30.09.05
Grahame Benson	01.10.04 to 30.09.05
Annabella Case	01.10.04 to 30.09.05
Geoff Cohen	01.10.04 to 30.09.05
Marian Dzurik	01.10.04 to 30.09.05
Chris Hellyer	01.10.04 to 30.09.05
John Hewett	01.10.04 to 30.09.05
Neil Hopkins	01.10.04 to 30.09.05
Glen James	01.10.04 to 30.09.05
Ambegahahewage Jayasingha	01.10.04 to 30.09.05
Jeff Kime	01.10.04 to 30.09.05
Dennis Noel	01.10.04 to 30.09.05
Gary Pond	01.10.04 to 30.09.05
Bill Simmons	01.10.04 to 30.09.05
John Stewart	01.10.04 to 30.09.05
Thomas Taylor	01.10.04 to 30.09.05
Natasha Todoroska	01.10.04 to 30.09.05
Dennis Gazlay	01.10.04 to 30.09.05
John Bastow	01.10.04 to 05.03.05
Darrel Luck	01.04.05 to 30.09.05
Mark McIntyre	01.10.04 to 30.09.05
Steven Johnson	01.10.04 to 30.09.05
Richard Wardropper	18.03.05 to 30.09.05
David Crawley	01.10.04 to 30.09.05
Beverley Hope	01.10.04 to 30.09.05
Bernard Sass	01.10.04 to 30.09.05

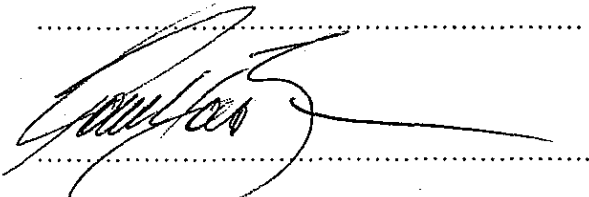


**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES UNION**  
**NEW SOUTH WALES BRANCH**

**OPERATING REPORT (Cont'd)**

<b>Name</b>	<b>Period Position Held</b>
Andrew Currie	01.10.04 to 30.09.05
Sean Emir	01.10.04 to 30.09.05
Daniel Donnison	01.10.04 to 30.09.05
Dorothy Hilbery	01.10.04 to 30.09.05
Frank Kenny	01.10.04 to 30.09.05
Philip Miller	01.10.04 to 30.09.05
Graeme Robinson	01.10.04 to 30.09.05
Gordon Stanton	01.10.04 to 30.09.05
Mark West	01.10.04 to 30.09.05

Signed in accordance with a resolution of the New South Wales Branch

.....  
  
.....  
2 December 2005

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES UNION**

**NEW SOUTH WALES BRANCH**

**BRANCH'S STATEMENT**

On the 2 December 2005 the Branch of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union New South Wales Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 30 September 2005.

The Branch declares in relation to the GPFR that in its opinion:

- (a) the financial report and notes comply with the Australian Accounting Standards to the extent disclosed in Note 1 to the financial statements;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year ended 30 September 2005;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 30 September 2005 and since the end of the financial year:
  - (i) meetings of the Branch were held in accordance with the rules of the organisation and the rules of the Branch; and
  - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
  - (iii) the financial records of the Branch have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003; and
  - (iv) the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other branches and National Council of the organisation; and
  - (v) no information has been sought in any request of a member of the Branch or a Registrar under section 272 of Schedule 1B to the Workplace Relations Act 1996; and
  - (vi) no orders have been made by the Industrial Registrar under section 273 of Schedule 1B to the Workplace Relations Act 1996

For the New South Wales Branch:

  
.....  
**PAUL ANTHONY BASTIAN**

2 December 2005

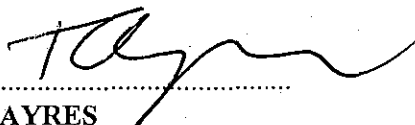
**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES UNION**

**NEW SOUTH WALES BRANCH**

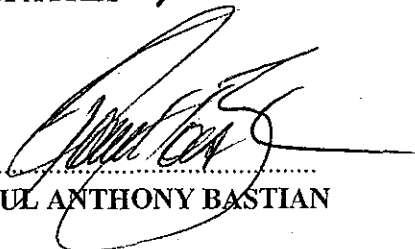
**COMMITTEE OF MANAGEMENT'S CERTIFICATE**

We, **TIM AYRES** and **PAUL ANTHONY BASTIAN**, being two members of the Committee of Management of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, New South Wales Branch, do state on behalf of the Committee, and in accordance with a resolution passed by the Committee that:-

- [i] In the opinion of the Committee of Management, the attached accounts show a true and fair view of the financial affairs of the Branch as at 30 September 2005.
- [ii] In the opinion of the Committee of Management, meetings of the Committee were held in the year ended 30 September 2005, in accordance with the rules of the Branch.
- [iii] To the knowledge of any member of the Committee, there have been no instances where records of the Branch or other documents (not being documents containing information made available to a member of the Union under Sub-Section 512 [2] of the Industrial Relations Act, 1991 as applied by Sub-Section 282(3) of the Industrial Relations Act, 1996) or copies of these records or documents, or copies of the rules of the Branch, have not been furnished, or made available to members in accordance with the requirements of the Industrial Relations Act, 1996, the Regulations thereto, or the rules of the Branch.
- [iv] The Branch has complied with Sub-Section 517(1) and (5) of the Industrial Relations Act, 1991 in relation to the financial accounts in respect of the period ended 30 September 2004 and the Auditors' Report thereon.



.....  
**TIM AYRES**



.....  
**PAUL ANTHONY BASTIAN**

2 December 2005

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES  
UNION**

**NEW SOUTH WALES BRANCH**

**ACCOUNTING OFFICER'S CERTIFICATE**

I, **PAUL ANTHONY BASTIAN**, being the Officer responsible for keeping the accounting records of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, New South Wales Branch, certify that as at 30 September 2005, the number of members of the Union was 33,659.

In my opinion:

- [i] The attached accounts show a true and fair view of the financial affairs of the Branch as at 30 September 2005.
- [ii] A record has been kept of all moneys paid by, or collected from, members and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the Branch.
- [iii] Before any expenditure was incurred by the Branch, approval of the incurring of the expenditure was obtained in accordance with the rules of the Branch.
- [iv] With regard to funds of the Branch raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated.
- [v] No loans or other financial benefits, other than remuneration in respect of their full time employment with the Branch, were made to persons holding office in the Branch.
- [vi] The register of members of the Branch was maintained in accordance with the New South Wales Industrial Relations Act, 1996.

  
.....  
**PAUL ANTHONY BASTIAN**

2 December 2005

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES UNION**

**NEW SOUTH WALES BRANCH**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE  
YEAR ENDED 30 SEPTEMBER 2005**

	Note	2005 \$	2004 \$
<b>GENERAL FUND</b>			
<b>INCOME</b>			
Remittances from National Council			
- General Fund		1,215,945	1,107,876
- Local Purpose Allocation		10,935	11,525
Interest Received		859	1,000
Publicity & Promotions- Refund War Rally		0	10,631
Publicity & Promotions- Purchases		0	6,496
<b>TOTAL INCOME</b>		<u>1,227,739</u>	<u>1,137,528</u>
<b>EXPENDITURE</b>			
Affiliation Fees		78,407	75,238
Bank Charges		1,516	2,454
Computing		4,849	5,490
Delegation/Employee Benefits – Office Holders		46,067	25,681
Delegation/Employee Benefits – Other Employees		22,792	47,471
Delegation Expenses - Members		109,922	128,036
Donations		11,203	8,090
Freight		389	493
General Office Expenses		83,053	71,909
Insurance		92,813	53,906
Motor Vehicle Expenses		187,896	193,721
Newsletter Expenses		3,045	21,627
Payroll Tax		217,581	186,763
Penalty Imposed by Industrial Relations Commission		2,000	-
Photocopying		41,118	47,016
Postage		36,712	36,428
Printing		(1,525)	5,518
Publicity		15,028	34,032
Professional Services	4	132,076	180,841
Rent		2,118	2,503
Research		1,867	2,192
Stationery		20,851	17,150
Telephone		121,213	143,963
<b>TOTAL EXPENDITURE</b>		<u>1,230,991</u>	<u>1,290,522</u>
<b>NET DEFICIT FOR THE YEAR</b>		(3,252)	(152,994)
Accumulated Funds at beginning of the Year		<u>52,678</u>	<u>205,672</u>
<b>ACCUMULATED FUNDS AT END OF YEAR</b>		<u>49,426</u>	<u>52,678</u>

(The attached Notes form part of the financial report)

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES UNION**

**NEW SOUTH WALES BRANCH**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2005**

	Note	2005 \$	2004 \$
<b>EXCESS OF ASSETS OVER LIABILITIES</b>			
Branch General Fund		<u>49,426</u>	<u>52,678</u>
<b>Represented by Net Assets as follows:</b>			
Cash at Bank - Branch General Fund		1,859	(955)
Net amounts receivable National Office	6(e)	46,019	52,764
Sundry Debtors		<u>1,548</u>	<u>869</u>
<b>TOTAL ASSETS</b>		<u>49,426</u>	<u>52,678</u>
<b>TOTAL LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>NET ASSETS</b>		<u>49,426</u>	<u>52,678</u>

**STATEMENT OF CASH FLOWS FOR THE  
YEAR ENDED 30 SEPTEMBER 2005**

	Note	2005 \$	2004 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Remittances from National Council			
- General Fund		1,215,945	1,107,876
- Local Purpose Allocation		10,935	11,525
Interest Received		859	1,000
Payments to Suppliers and Employees		<u>(1,224,925)</u>	<u>(1,149,739)</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	5	<u>2,814</u>	<u>(29,338)</u>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		2,814	(29,338)
Cash at Beginning of Year		<u>(955)</u>	<u>28,383</u>
<b>CASH AT END OF YEAR</b>		<u>1,859</u>	<u>(955)</u>

(The attached Notes form part of the financial report)

# AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES UNION

## NEW SOUTH WALES BRANCH

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2005

#### 1. STATEMENT OF ACCOUNTING POLICIES

This financial report is a general purpose report that has been prepared in accordance with the Workplace Relations Act 1996, Industrial Relations Act 1996, applicable Accounting Standards and other mandatory professional reporting requirements, with the exception that the financial report has been prepared on the cash basis rather than the accrual basis as required by applicable Accounting Standards. The Union has determined to adopt the cash basis of accounting in the preparation of the financial reports of national council and all branches following advice from the Australian Industrial Registry that the terms of section 252(3) of the Workplace Relations Act 1996 in effect create a standing exemption from the Australian Accounting Standard that mandates accrual accounts. Section 253(3) states that financial records of an organisation may, so far as they relate to the income and expenditure of the organisation, be kept on a cash basis or accrual basis, at the option of the organisation.

The financial report has been prepared on a cash basis as regards the income and expenditure of the Branch and on the basis of historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. Cost is based on fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the New South Wales Branch in the preparation and presentation of the financial report:

- a) The New South Wales Branch operates as a branch of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union.
  - (i) All members' contributions are paid direct to National Council.
  - (ii) Apart from miscellaneous interest, income represents the amount reimbursed by the National Council to cover Branch based expenses. Reimbursements are made on an as required basis and are recognised when received by the Branch.
  - (iii) Expenses represent amounts paid directly by the Branch for operational costs.
  - (iv) Other operational expenses eg. salaries which relate to the Branch are paid for by the National Council and are included in the financial report of the National Council only.
  - (v) Provision for employee benefits in the form of Long Service Leave and Accrued Annual Leave have been made for the estimated accrued entitlements of all employees on the basis of their terms of employment in the financial report of the National Council.
  - (vi) All fixed assets are recorded in the financial reports of the National Council and the depreciation regarding those assets is charged in the National Council accounts.
  - (vii) No provision for income tax is necessary, as Trade Unions are exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

# AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES UNION

## NEW SOUTH WALES BRANCH

### NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2005 (Cont'd)

#### 1. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

##### (viii) Goods and Services Tax (GST)

Revenues and expenses are recognised net of GST, except:

- (a) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of an item of expense; or
- (b) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables as appropriate.

Cash flows are included in the statement of cash flows on a gross basis.

#### b) Going Concern Basis of Accounting

The financial report has been prepared on the basis that the Branch is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Branch believes it is appropriate to adopt the going concern basis for preparing the report on the grounds that the National Council has made an undertaking to provide financial support to the Branch.

#### c) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards.

The Branch is preparing and managing transition to Australian equivalents to International Financial Reporting Standards (AIFRSs) effective for financial reporting periods commencing from 1 January 2005. The adoption of AIFRSs will be reflected in the Branch's financial statements for the year ending 30 September 2006. On first time adoption of AIFRSs, comparatives for the financial year ended 30 September 2005 are required to be restated. The majority of the AIFRSs transitional adjustments will be made retrospective against retained earnings at 1 October 2004.

The Branch is of the opinion that there are no material differences in the Branch's accounting policies on conversion to AIFRSs. Users of the financial statements should, however, note that the amounts disclosed could change if there are any amendments to current AIFRSs by standard-setters, or interpretation of the AIFRSs requirements changes due to the continuing transition work of the Branch.

#### 2. CHANGE IN ACCOUNTING POLICY

This year the Branch has accounted for income and expenditure on a cash basis. In previous years the Branch prepared financial reports on an accruals basis in respect of the income and expenditure of the Branch.

The change in the accounting policy has not significantly affected the financial performance of the Branch for the year or its financial position as at year end.



**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES UNION**

**NEW SOUTH WALES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2005 (Cont'd)**

**3. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 of Schedule 1B which read as follows:

- 1) A member of a reporting unit, or registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- 2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- 3) A reporting unit must comply with an application made under subsection (1)

In accordance with the requirements of the Industrial Relations Act, 1991 [NSW] the attention of members is drawn to the provisions of Sub-Sections (1) and (2) of Section 512 which read as follows:

- 1) A member of an organisation, or the Industrial Registrar, may apply to the organisation for specified information prescribed by the regulations in relation to the organisation.
- 2) An organisation must, on the making of such an application, make the specified information available to the member or the Industrial Registrar in the manner, and within such time, prescribed by the regulations.

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
<b>4. PROFESSIONAL SERVICES</b>		
Auditing the financial report	20,500	16,500
Legal Expenses	<u>111,576</u>	<u>164,341</u>
	<u>132,076</u>	<u>180,841</u>
<b>5. CASH FLOW INFORMATION</b>		
Reconciliation of Cash Flow from Operations with Net Deficit		
Net Deficit	(3,252)	(152,994)
<b>Changes in Assets and Liabilities</b>		
Decrease in Sundry Debtors	6,066	123,656
	<u>2,814</u>	<u>(29,338)</u>
<b>CASH FLOWS FROM OPERATIONS</b>	<u>2,814</u>	<u>(29,338)</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES UNION**

**NEW SOUTH WALES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2005 (Cont'd)**

**6. RELATED PARTIES**

- (a) The aggregate amount of remuneration paid to officers during the financial year is included in the National Council's Financial Report
- (b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officials is included in the National Council's Financial Report.
- (c) There have been no other transactions between the officers and the Union other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.
- (d) The ultimate controlling entity of the Branch is the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council.
- (e) Transactions with Ultimate Controlling Entity
  - (i) Remittances from National Council are disclosed in the statement of financial performance.
  - (ii) Net Amounts Receivable from the National Office are as follows:

	2005	2004
	\$	\$
Net amounts receivable National Office	46,019	52,764

During the 2004/05 financial year, the AMWU National Council remitted to the New South Wales Branch GST debt outstanding of \$102,055

**7. SUBSEQUENT EVENTS**

There are no subsequent events that have occurred or are likely to occur that require disclosure.

**8. CONTINGENT LIABILITY**

The Branch is taking legal action against an employer under the Occupation Health and Safety Act 2000 on behalf of a member. The case is yet to be heard, however the Branch Committee of Management and Branch's legal advisers believe that the Branch's case is strong and will be successful.

However should it prove to be unsuccessful, it is possible that legal costs of approximately \$100,000 could be incurred by the Branch.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES UNION**

**NEW SOUTH WALES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2005 (Cont'd)**

**9. FINANCIAL INSTRUMENTS**

**Interest Rate Risk**

The Branch's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below:

<b>30 September 2005</b>	<b>Floating interest rate</b>	<b>Non interest bearing</b>	<b>Total</b>
	\$	\$	\$
<b>Financial Assets</b>			
Cash	1,859	-	1,859
Receivables	<u>          </u>	<u>47,567</u>	<u>47,567</u>
	<u>1,859</u>	<u>47,567</u>	<u>49,426</u>
Weighted average Interest rate	1.00%		
<b>Financial Liabilities</b>			
Payables	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net Financial Assets</b>	<u>1,859</u>	<u>47,567</u>	<u>49,426</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES UNION**

**NEW SOUTH WALES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2005 (Cont'd)**

**9. FINANCIAL INSTRUMENTS (Cont'd)**

<b>30 September 2004</b>	<b>Floating interest rate</b>	<b>Non interest bearing</b>	<b>Total</b>
<b>Financial Assets</b>			
	\$	\$	\$
Cash	(955)	-	(955)
Receivables	-	53,633	53,633
	<u>(955)</u>	<u>53,633</u>	<u>52,678</u>
Weighted average interest rate	2.25%		
<b>Financial Liabilities</b>			
Payables	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Financial Assets/(Liabilities)</b>	<u>(955)</u>	<u>53,633</u>	<u>52,678</u>

**Credit Risk Exposure**

Credit risk is the risk that counter parties to a financial asset will fail to discharge their obligation, causing the Branch to incur financial loss.

The credit risk exposure of the Branch to financial assets which have been recognised in the Statement of Financial Position is generally the carrying amounts, net of any provisions for doubtful debts.

The carrying amounts of cash and non-interest bearing monetary financial assets and liabilities (e.g. receivables and payables) approximate net fair values.

**10. ADDITIONAL BRANCH INFORMATION**

The registered office and principal place of business of the Branch is:

Level 2,  
133 – 137 Parramatta Road  
Granville NSW 2142

## **AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES UNION**

### **NEW SOUTH WALES BRANCH**

#### **INDEPENDENT AUDIT REPORT**

To the members of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, New South Wales Branch.

#### **Scope**

##### *The Financial Report and the Responsibility of the Committee of Management and the Branch Secretary*

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the Committee of Management's Statement, Committee of Management's Certificate and the Accounting Officer's Certificate for the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, New South Wales Branch, for the year ended 30 September 2005.

The Committee of Management and the Branch Secretary are responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996 and the Industrial Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

##### *Audit Approach*

We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Branch. Our audit has been conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Workplace Relations Act 1996 and the Industrial Relations Act 1996, including compliance with Accounting Standards to the extent disclosed in Note 1 to the financial statements and other mandatory professional reporting requirements in Australia a view which is consistent with our understanding of the Branch's financial position and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Committee of Management and the Accounting Officer.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES UNION**

**NEW SOUTH WALES BRANCH**

**INDEPENDENT AUDIT REPORT (Cont'd)**

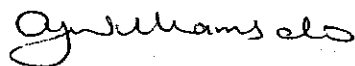
**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Workplace Relations Act 1996 and the Industrial Relations Act 1996.

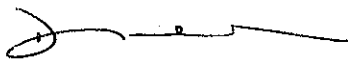
**Audit Opinion**

In our opinion:

- (a) the financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, New South Wales Branch is in accordance with the Workplace Relations Act 1996, including:
  - (i) giving a true and fair view of the Branch's financial position as at 30 September 2005 and its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards to the extent disclosed in Note 1 to the financial statements; and
  - (iii) complying with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act; and
- (b) the financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, New South Wales Branch is in accordance with other mandatory professional reporting requirements in Australia.
- (c) We have received all the information and explanations required for the purposes of our audit.
  - (i) There were kept by the Branch in respect of the year under review, satisfactory records detailing the sources and nature of income of the Branch [including income from members] and the nature and purposes of expenditure, and
  - (ii) The attached financial report, including the Certificates of the Committee of Management and the Accounting Officer, is prepared in accordance with Section 510 of the Industrial Relations Act, 1991, as applied by Section 282(3) of the Industrial Relations Act 1996.



**A.J. WILLIAMS & CO.**  
Chartered Accountants.



**D. S. MCLEAN**  
Registered Company Auditor.  
SYDNEY NSW 2000

2 December 2005